

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 110<sup>th</sup> Congress<sup>1</sup>**

[Date approved: October 6, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 5377 (Mr. Henry Brown of South Carolina).

**Proponent name,<sup>3</sup> location:** Symrise Inc., Goose Creek, SC.

**Other bills on product (110<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

1,2-Octanediol (CAS No. 1117-86-8) (provided for in subheading 2905.39.90).

**Check one:**     Same as that in bill as introduced.  
                   Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

The subject product is an organic chemical that is used as an ingredient in skin care products, coatings, adhesives, and inks. The product is imported from Germany.

**Estimated effect on customs revenue:**

| HTS subheading: <u>2905.39.90</u>       |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
|   | 2009      | 2010      | 2011      | 2012      | 2013      |
| <del>Col. 1-General rate of duty</del>  |           |           |           |           |           |
| Col. 1-General rate of duty             | 5.5%      | 5.5%      | 5.5%      | 5.5%      | 5.5%      |
| Estimated value <i>dutiable</i> imports | \$735,150 | \$760,500 | \$783,315 | \$806,789 | \$830,973 |
| Customs revenue loss 1/                 | \$0       | \$41,828  | \$43,082  | \$44,373  | \$45,704  |

1/ There is an existing duty suspension under HTS heading 9902.24.48 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: U.S. industry estimates.

**Contacts with domestic firms/organizations (including the proponent):**

<sup>1</sup> Industry analyst preparing report: Andrew Gately (202-205-3437); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/](http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

| Name of firm/organization   | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
|   |                | (Yes/No)                                     |                      |                   |
| Symrise Inc. (Proponent)<br>Brett Garson, brettg@sda-inc.com  | 05/15/2008     | No   | No                   | No                |
| Abbott Laboratories<br>Claude Burcky, Fax: 202-783-6631<br>Elaine Leavenworth, Fax: 202-783-6631  | 05/19/2008     | No   | No                   | No                |
| American Chemistry Council<br>Marty Durbin, Fax: 703-741-6097   | 05/19/2008     | No   | No                   | No                |
| Apollo Color<br>Dave Klebine, Fax: 815-741-2599   | 05/19/2008     | No   | No                   | No                |
| BASF<br>Frank Arditei, Fax: 704-587-8252<br>Dave Bushnell, Fax: 301-654-8336<br>Cenan Ozmeral, Fax: 704-587-7903<br>Greg Thies, Fax: 202-558-5101<br>Phil Webb, Fax: 704-587-8252 | 05/19/2008     | No   | No                   | No                |
| Bayer<br>Julie Van Egmund, Fax: 202-737-8909<br>Karen L. Niedermeyer, Fax: 412-777-4740   | 05/19/2008     | No   | No                   | No                |
| Biddle Sawyer<br>William Thonack, Fax: 212-239-1089   | 05/19/2008     | No   | No                   | No                |
| Blackman Uhler<br>Jeter Starnes, Fax: 864-596-1524  | 05/19/2008     | No   | No                   | No                |
| Bristol Myers Squibb<br>David Warr, Fax: 202-783-2308   | 05/19/2008     | No   | No                   | No                |
| Carey Industries<br>Raymond Carey, Fax: 704-391-1881  | 05/19/2008     | No   | No                   | No                |
| Chemtura<br>Lloyd Moon, Fax: 203-573-2686   | 05/19/2008     | No   | No                   | No                |
| Ciba Specialty Chemicals<br>Michelle Forte, Fax: 914-785-4831<br>Robert Hurley, Fax: 202-289-3588   | 05/19/2008     | No   | No                   | No                |
| Clariant<br>Andrew Zamoyski, Fax: 202-248-9043  | 05/19/2008     | No   | No                   | No                |
| ColorChem<br>Steve Printz, Fax: 770-993-4780  | 05/19/2008     | No   | No                   | No                |

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|---|----------------|--|----------------------|-------------------|
|   |                | (Yes/No)                                     |                      |                   |
| Color Resources International<br>Wayne Jones, Fax: 864-862-6824   | 05/19/2008     | No   | No                   | No                |
| CPMA<br>Larry Robinson, Fax: 703-684-1795   | 05/19/2008     | No   | No                   | No                |
| Day-Glo<br>Eugene Crnjac, Fax: 216-391-1408   | 05/19/2008     | No   | No                   | No                |
| Dixie Chemical<br>Malcolm Johnson,<br>mjohnson@dixiechemical.com  | 05/20/2008     | Yes  | Yes                  | Yes               |
| Dow Chemical<br>Lisa Schroeter, Fax: 202-429-3467   | 05/19/2008     | No   | No                   | No                |
| DuPont<br>Helen McMahon, Fax: 302-355-2994  | 05/19/2008     | No   | No                   | No                |
| Dystar<br>Ron Pedemonte, Fax: 704-561-3005  | 05/19/2008     | No   | No                   | No                |
| Eastman Chemical<br>Gregg Riddle, Fax: 212-835-1621   | 05/19/2008     | No   | No                   | No                |
| EC Pigments<br>Andrew Blum, Fax: 508-676-9011<br>Stuart Booth, Fax: 508-676-9011<br>John White, Fax: 508-676-9011 | 05/19/2008     | No   | No                   | No                |
| Eli Lilly<br>Kathy Karol, Fax: 202-624-9460   | 05/19/2008     | No   | No                   | No                |
| Emerald Performance Materials<br>Tom Dirmyer, Fax: 330-315-6480   | 05/19/2008     | No   | No                   | No                |
| Endo Pharmaceuticals<br>Albert McCorwick, Fax: 484-840-4277   | 05/19/2008     | No   | No                   | No                |
| Everlight USA<br>Scott Chen, Fax: 704-588-0051  | 05/19/2008     | No   | No                   | No                |
| ETAD<br>Tucker Helms, Fax: 202-296-8120   | 05/19/2008     | No   | No                   | No                |
| Fanwood Chemical<br>Jim DeLisi, Fax: 908-322-8494   | 05/19/2008     | No   | No                   | No                |
| Firmenich<br>Laura Heybur, Fax: 609-452-8063  | 05/19/2008     | No   | No                   | No                |

| Name of firm/organization   | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
|   |                | (Yes/No)                                     |                      |                   |
| Fujifilm Imaging Colorants<br>Mike Gill, Fax: 202-628-5116<br>Pat McGlinchey, Fax: 302-477-8103     | 05/19/2008     | No   | No                   | No                |
| Galaxie Chemical<br>Richard Caldwell, Fax: 973-790-7104<br>Michael Santoro, Jr., Fax: 973-790-7104  | 05/19/2008     | No   | No                   | No                |
| Gilead Sciences<br>Cheryl Myriad, Fax: 650-522-5853   | 05/19/2008     | No   | No                   | No                |
| Givaudan Fragrances<br>Diane Koenig, Fax: 973-448-6624  | 05/19/2008     | No   | No                   | No                |
| Glaxo SmithKline<br>William Schuyler, Fax: 202-715-1001   | 05/19/2008     | No   | No                   | No                |
| Honeywell<br>Art Simonetti, Fax: 202-662-2675   | 05/19/2008     | No   | No                   | No                |
| Huntsman International<br>John Deming, Fax: 302-479-5499  | 05/19/2008     | No   | No                   | No                |
| Interferon Sciences<br>Samuel Ronel, Fax: 732-249-6895  | 05/19/2008     | No   | No                   | No                |
| International Flavors and Fragrances<br>Tom Kinlin, Fax: 732-335-2244                               | 05/19/2008     | No   | No                   | No                |
| Ivanhoe Industries<br>William Tuszynski,<br>w.tuszynski@ivanhoeindustries.com                       | 05/23/2008     | Yes  | Yes                  | Yes               |
| Koch Industries<br>Ron Osman, Fax: 361-242-8353   | 05/19/2008     | No   | No                   | No                |
| LANXESS<br>Jamie Schaeffer, Fax: 412-809-3614<br>Seth Tomei, Fax: 412-809-3614                      | 05/19/2008     | No   | No                   | No                |
| Lonza, Inc.<br>Cheryl Prescott, Fax: 201-696-3558   | 05/19/2008     | No   | No                   | No                |
| Mason Color Works<br>Carol Mason Cronin, Fax: 330-385-4488<br>Ann Mason Herdmann, Fax: 330-385-4488 | 05/19/2008     | No   | No                   | No                |
| MG Group<br>Matt Mattingley, Fax: 703-670-9313  | 05/19/2008     | No   | No                   | No                |

| Name of firm/organization                                     | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
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|   |                | (Yes/No)                                     |                      |                   |
| Merck<br>Thomas Bombelles, Fax: 202-638-3670                  | 05/19/2008     | No   | No                   | No                |
| Milliken<br>Ray Sanders, Fax: 864-503-1618                    | 05/19/2008     | No   | No                   | No                |
| Monsanto<br>Grant Erdel, Fax: 202-789-1867                    | 05/19/2008     | No   | No                   | No                |
| NFC<br>John Dickson, Fax: 803-548-2683                        | 05/19/2008     | No   | No                   | No                |
| Niche Pharmaceuticals<br>Steve Brandon, Fax: 817-491-3533     | 05/19/2008     | No   | No                   | No                |
| Novartis<br>Tracy Haller, Fax: 202-628-4763                   | 05/19/2008     | No   | No                   | No                |
| Passaic Color<br>John Wojciechowski, Fax: 973-279-3175        | 05/19/2008     | No   | No                   | No                |
| Penta Manufacturing<br>George Volpe, Fax: 973-740-1839        | 05/19/2008     | No   | No                   | No                |
| Perstorp Polyols<br>Jeff Jones, Fax: 419-729-3291             | 05/19/2008     | No   | No                   | No                |
| Pfizer<br>Katherine Bennett, Fax: 202-347-2044                | 05/19/2008     | No   | No                   | No                |
| PMC Specialties Group<br>Zetta Bouligaraki, Fax: 513-482-7373 | 05/19/2008     | No   | No                   | No                |
| Procter and Gamble<br>Jim McCarthy, Fax: 202-393-4606         | 05/19/2008     | No   | No                   | No                |
| Rhodia<br>Dominick Cangiano, Fax: 609-860-2256                | 05/19/2008     | No   | No                   | No                |
| Rohm & Haas<br>Jeff Hurwitz, Fax: 703-741-5884                | 05/19/2008     | No   | No                   | No                |
| Schering-Plough<br>Rob Lively, Fax: 202-463-8809              | 05/19/2008     | No   | No                   | No                |
| Solutia<br>Kassie Wooton, Fax: 314-674-1585                   | 05/19/2008     | No   | No                   | No                |
| Sun Chemical<br>Ed Faulkner, Fax: 513-632-1537                | 05/19/2008     | No   | No                   | No                |
| Tennant<br>Debbie Thoms, Fax: 763-513-1710                    | 05/19/2008     | No   | No                   | No                |

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|---|----------------|--|----------------------|-------------------|
|   |                |  |                      |                   |
| Total Specialty Chemical<br>Tad Acker, 203-966-1505 | 05/19/2008     | No   | No                   | No                |
| Union Carbide<br>Jim Murray, Fax: 202-347-1684      | 05/19/2008     | No   | No                   | No                |
| United Color<br>Tom Nowakowski, Fax: 215-860-8560   | 05/19/2008     | No   | No                   | No                |
| Watson<br>Sara Swee, Fax: 951-270-1429              | 05/19/2008     | No   | No                   | No                |

**Technical comments:<sup>4</sup>**

None.

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<sup>4</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

Dear Mr. Gatley;

Dixie Chemical began commercial production of 1,2-octanediol in 2006. We made a significant investment in research time and plant equipment related to this product. We strongly oppose the suspension of import duties on this product as requested in H.R. 5377. I have previously submitted information to the US Dept. of Commerce, the House Ways and Means Committee and Congressman Ted Poe (TX) regarding our opposition to the bill. There are two domestic manufacturers of this product so I do not see any advantage to encouraging foreign competition at the expense of American manufacturing companies.

I understand that Symrise and Congressman Henry Brown (SC) may also have submitted a duty suspension bill for 1,2-hexanediol (CAS # 6920-22-5). We oppose this bill since we will begin commercial production later this year.

Thank your consideration of our position;

Malcolm Johnson

Malcolm P. Johnson, Ph.D.  
Vice President Marketing  
Dixie Chemical Company  
(713) 863-1947  
mjohnson@dixiechemical.com  
[www.dixiechemical.com](http://www.dixiechemical.com)

Dear Mr. Gatley,

Ivanhoe Industries Inc. has become aware of HR 5377, a bill submitted by Congressman Henry Brown (SC) to extend the duty suspension on 1,2-octanediol (CAS 11179-86-8 ) through 2011. Ivanhoe Industries has submitted a statement in opposition to this measure to the House Ways and Means Committee, US Department of Commerce and Congressman Patrick Murphy (PA). Ivanhoe has been supplying commercial quantities of this product since 2005. Although we do not have manufacturing facilities of our own, we have contracted production to a US toll-manufacturing firm. All production is made in the United States using domestically produced raw materials. Both Ivanhoe and our manufacturing partner have invested significant technical and commercial resources to develop this business.

Ivanhoe is one two domestic companies supplying 1,2-octanediol manufactured in the United States. As such, we strongly oppose the intent of HR 5377 to provide a tariff advantage to overseas producers to the detriment of American producers. We appreciate your understanding and consideration of our position. I would be happy to discuss this at your convenience should you have any questions.

Regards,

William Tuszynski, Ph.D.

Managing Partner & CFO

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*Celebrating our 25th Anniversary*

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5377

To extend the temporary suspension of duty on 1,2 Octanediol.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2008

Mr. BROWN of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To extend the temporary suspension of duty on 1,2 Octanediol.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 1,2 OCTANEDIOL.**

4 (a) IN GENERAL.—Heading 9902.24.48 of the Har-  
5 monized Tariff Schedule of the United States (relating to  
6 1,2 Octanediol) is amended by striking the date in the ef-  
7 fective period column and inserting “12/31/2011”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

○